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UNCLAS SECTION 01 OF 03 PRETORIA 000100

SIPDIS

DEPT FOR EB/TPP/ABT, OES/PCI, AND AF/S
DEPT PASS EB/TPP/MTAA/ABT - MSZYMANSKI, JBOBO
USDA FAS FOR OSTA/NTPMB - FNAIM, EPORTER, MCHESTLEY
USDA FAS FOR OCBD - KSKUPNIK, JMAURER, MMOORE, DEVANS
USDA FAS FOR OCRA - KMCKINNELL, AFERRUS

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TAGS: EAGR ECON ETRD KPAQ PREL SENV SF TBIO

SUBJECT: PRETORIA'S PROPOSAL FOR BIOTECHNOLOGY FUNDS

REF: A) STATE 129940 B) PRET 002513

¶1. Summary: Embassy Pretoria's proposal for the FY 2009 Biotechnology Outreach Strategy Fund requests funding to bring two experts in the subject matter to South Africa to meet with regulators, academia, consumers, and legislators on currently relevant topics such as regulation of stacked genes, labeling of genetically modified organisms (GMO) on foods, and liability and redress. This proposal was developed among EST/Econ, PAS, and USDA/FAS. Additionally, we considered GSA and NGO representatives input to establish this proposal.

¶2. Additionally, since FAS/Pretoria is a regional post, covering much of Southern Africa, FAS/Pretoria is coordinating with Embassies in Madagascar, Mozambique, and Mauritius to submit separate proposals requesting funding for similar programs to support a regional biotech strategy. End Summary.

Pretoria

¶3. Over the past 4 years, using funding from State/EB and USDA, FAS/Pretoria has developed relationships with key partners in Southern Africa, the United States, and international organizations to address regulatory and public acceptance issues pertaining to biotechnology. As these relationships have developed, trust and respect has also grown between the USG and the biotech industry, public and private. To continue to build on these relationships, we are requesting funding again this year to bring U.S. experts to engage the local industry and stakeholders in discussions on labeling of GMOs, liability and redress, stacked genes, and regional harmonization.

Background

¶4. Misinformation and misperceptions about biotechnology threaten the acceptance of U.S. agricultural and food products derived from biotechnology in Southern Africa and threaten U.S. producers' access to international markets. United States' exports to the largest markets in the region (South Africa, Mauritius, Madagascar, and Mozambique) grew over 30 percent from 2007 to 2008, due to increases in exports of intermediate and consumer oriented agricultural goods, such as vegetable oils and prepared sauces and cereals. It is expected U.S. exports to these markets will continue to increase in 2009 and beyond as consumer demand increases and these countries begin to diversify their suppliers to include the United States. USDA cooperators' interest in conducting activities in these markets is also on the rise, leading to increased interest in the United States as a supplier.

¶ 15. Several key countries in Sub-Saharan Africa have passed biosafety legislation in the past year, or are in the process of formulating their policies and have requested help from USDA. These include South Africa, Mozambique, Madagascar, and Mauritius. All have drafted biosafety policies and are currently working on implementation procedures. They are very pro-biotech, but admittedly lack the necessary understanding of many aspects of biotech and genetic engineering. There is a significant need for training on implementation procedures, characteristics of efficient regulatory frameworks, producer and consumer awareness strategies, et al. Qframeworks, producer and consumer awareness strategies, et al.

¶ 16. The lack of basic understanding of agricultural biotechnology among consumers, members of the media and political decision-makers is a critical impediment to a rational, pragmatic acceptance of the technology. The African public remains easily persuaded by misinformation regarding the basic risks, benefits and regulatory approaches to best evaluate the benefits of adopting agricultural biotechnology. Biosafety committees in the region remain inactive or unsure where to focus their attention due to a lack of understanding of the benefits of biotechnology. Due to this lack of activity, science-based information in the regulatory decision-making process is minimal and opponents of biotechnology are the most vocal input, which could be reflected in new regulations concerning GMOs.

¶ 17. One of the most significant new regulations is a South African consumer protection bill that includes mandatory labeling of all food products containing GMOs. (This bill is awaiting presidential signature.) Introduced by the Department of Trade and Industry, without consultation with the GMO Act competent authorities

PRETORIA 00000100 002 OF 003

(Departments of Health and Agriculture), this bill requires mandatory labeling of GMOs for all domestic and imported food products.

¶ 18. The bill includes a significant change to product liability, where a consumer no longer has to demonstrate that a producer was negligent before receiving compensation for injury. The new legislation puts the burden of proof on the producer or supplier, meaning that a consumer can sue almost any producer or supplier for harm or injury that is the result of a failed, defective, or unsafe product. Almost every supplier must comply with the bill, even if the supplier does not reside in South Africa. Foreign producers who sell products through a South African agent for use in South Africa would be included under the bill.

¶ 19. These regulations will have a significant impact not only on regional trade, but also on U.S. exports to South Africa, since all products will have to be labeled and producers/suppliers could be held liable for any purported harm their product may have caused.

¶ 10. Currently, South Africa does not allow the import of U.S. maize due to asynchronous approval of biotechnology events (i.e. the United States has approved events that are not approved in South Africa). If events approved in the United States were also approved in South Africa, there would be a greater opportunity for trade. The precedence this sets is significant as new events begin to appear in different crops, such as wheat - the United State's top export to the region - increasing the likelihood of an embargo on U.S. wheat until the time the event has been approved in the region.

¶ 11. Zero tolerance for adventitious presence is another issue under discussion in these countries (South Africa, Madagascar, Mauritius, and Mozambique) as is the management of stacked genes.

¶ 12. South Africa is seen as a leader in the biotechnology front in Africa, and many neighboring countries look to South Africa, for guidance and direction. South Africa is an ally of the United States in that they have a progressive biosafety policy in place, based on sound science and backed by an informed, forward-thinking GMO Council and Advisory Committee. However, uneducated parties can

introduce legislation that will affect the administration of the current GMO biosafety legislation, such as the pending consumer protection bill. Other countries that look to South Africa for guidance might adopt similar legislations that would affect trade.

Activity

¶13. Two U.S. experts will travel to South Africa for two weeks to conduct meetings and workshops in different cities with legislators, academia, consumers, and regulators to discuss relevant topics of labeling of GMOs, liability and redress, management of stacked genes and regional harmonization.

¶14. The U.S. experts would travel to Cape Town, the seat of Parliament, for 5 days to meet with different Parliamentary Portfolio committees. These committees are the key players in passing laws and regulations relating to biotechnology. However, many committee members are not educated about biotechnology and often make decisions based on erroneous information.

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¶15. The U.S. experts would provide an overview and introduction to biotechnology to committee members with appropriate portfolios. The expert will meet separately with each committee to discuss issues relevant to their sectors. The targeted Portfolio Committees are:

Environment Portfolio Committee - Discuss aspects of biotechnology and biosafety as it relates to biodiversity. Reinforce the environmental gains from reduced soil erosion and decreased insecticide and herbicide use.

Agriculture Portfolio Committee - Discuss the latest in biotechnology such as stacked genes, adventitious presence, etc. Provide information on global use of biotechnology. Encourage the development and commercialization of agbiotech products to meet the unique needs of South Africa.

Trade and Industry Portfolio Committee - Discuss trade issues

PRETORIA 00000100 003 OF 003

relating to biotechnology, including labeling of foods containing GMOs, liability and redress, and the potential trade impacts of the Cartagena Protocol on Biosafety.

Science and Technology Portfolio Committee - Discuss United States' support of biotech businesses and ways to develop biotech businesses. Stress the global scientific consensus on the safety of agbiotech products demonstrated by the WTO final panel decision in the EU case.

¶16. Post proposes to hold special meetings for media contacts specifically associated with the agricultural and biotechnology sectors to discuss biotechnology regulations and developments in the United States. Additionally, PAS will arrange press opportunities for the visiting expert to engage journalists that cover agriculture, agribusiness and ag biotechnology issues. These could include roundtables with print media, one-on-one interviews, radio call-in programs, etc.

¶17. Additional opportunities for these experts will be arranged to address biotech stakeholders include business breakfasts and workshops in Pretoria, as well as meetings with the GMO Executive Council and Advisory committees and relevant government agencies.

¶18. Length of Program: Two weeks (5 days in Pretoria and 5 days in Cape Town, plus one weekend in between the two segments)

Cost for 2 experts:

TOTAL: \$22,500

Airfare (US - Johannesburg - Cape Town - US): \$8,000.00

Hotel and Per Diem (14 days): \$8,500.00

Meeting Rooms: \$4,000.00

Miscellaneous (materials, invitations, etc) \$2,000.00

¶19. COMMENT: As stated in the summary, FAS/Pretoria is a regional post responsible for coverage of most of Southern Africa, with no staff resident in those countries. We are collaborating with the our ECON/POL/PAS contacts in the missions in Antananarivo, Maputo, and Port Louis to submit similar proposals for biotech outreach events in those countries.

¶20. Understanding that each proposal must stand on its own merit, we would like to have the group considered as a package that demonstrates a regional approach to biotechnology in Southern Africa. Regional trade plays a critical role in food security in Southern Africa, and disparate regulations dealing with biotechnology and its products could severely affect the flow of products, including food aid, among the countries. This regional approach is critical in ensuring regulations throughout the region are harmonized as not to affect trade, development, humanitarian assistance, and investment. END COMMENT.

¶19. Point of Contact: Kari Rojas, Agricultural Attach, FAS/Pretoria, kari.rojas@fas.usda.gov 011-27-12-431-4057 BOST